

## IN THE CLAIMS

Please amend the following claims which are pending in the present application:

1. (Original) A consignment inventory management and reconciliation system wherein there is tracking and reconciliation of:
  - a. first items shipped to a buyer from a seller and that are located at the buyer's consignment inventory location;
  - b. second items shipped to the buyer by the seller, that have not been billed by the seller and cannot be found at the buyer's consignment inventory location; and
  - c. third items not shipped to the buyer by parties other than the seller, the third items can be found at the buyer's consignment inventory location, and are of the same identity as items provided on consignment by the seller to the buyer.
2. (Original) A system as claimed in claim 1, wherein the system also ages the first items, the second items, and the third items.
3. (Original) A system as claimed in claim 1, wherein there is tracking of one or more selected from the groups consisting of: item number, item lot number, and item expiry date.

4. (Original) A system as claimed in claim 3, wherein tracking takes place whenever a transaction is processed.
5. (Original) A system as claimed in claim 3, wherein the transaction is represented by a transaction description and a transaction amount.
6. (Original) A system as claimed in claim 5, wherein the transaction amount can be one: zero, a positive number, and a negative number, with a number of decimal places.
7. (Original) A system as claimed in claim 4, wherein the transaction is one or more selected from the group consisting of: bill, use, dispose, return, transfer-out, receive, transfer-in, order, set, and current.
8. (Original) A system as claimed in claim 7, wherein bill is used when the item is no longer at the buyer's consignment location but ownership has not been transferred from the seller to the buyer.
9. (Original) A system as claimed in claim 7, wherein use is used when the buyer has used the item and the process of transferring ownership from the seller to the buyer should be initiated or has been completed.

10. (Currently amended) A system as claimed in claim 7, wherein dispose ~~[[in]]~~ is used when the item is no longer at the buyer's consignment location and seller is writing off the item; ownership will not be transferred from the seller to the buyer.

11. (Original) A system as claimed in claim 7, wherein receive is used when the item is physically being moved from the seller to the buyer's consignment location; ownership will not be transferred from the seller to the buyer.

12. (Currently amended) A system as claimed in claim 7, wherein transfer-in is used when the item is physically being moved to the ~~buyers~~ buyer's consignment location from a third party location; ownership will not be transferred from the seller to the buyer.

13. (Original) A system as claimed in claim 7, wherein return-in is used when the item is physically being moved from the buyer's consignment location back to the seller; ownership will not be transferred from the seller to the buyer.

14. (Original) A system as claimed in claim 7, wherein transfer-out is used when the item is physically being moved from the buyer's consignment location to a third party location; ownership will not be transferred from the seller to the buyer.

15. (Original) A system as claimed in claim 7, wherein order is used when a result has been made to increase the buyer's consignment item(s) quantity.
16. (Original) A system as claimed in claim 7, wherein set is used when the quantity of items that the seller and the buyer agree is at the consignment location and is used as a starting point for consignment inventory On-hand quantity.
17. (Original) A system as claimed in claim 7, wherein count is used when the quantity can be physically found and verified by the seller and buyer at the buyer's consignment location at a time.
18. (Original) A system as claimed in claim 1, wherein reconciliation takes place after a stock count process.
19. (Original) A system as claimed in claim 18, wherein the reconciliation notes the second items as Unbilled and the third items as Excess to enable the seller to track quantities of second items and third items over time to provide a more accurate history of consignment inventory.
20. (Original) A system as claimed in claim 3, wherein the seller uses the tracking of the item lot number and item expiry date to determine which of the

first and second items are approaching an expiry date and thus need to be adjusted.

21. (Original) A system as claimed in claim 1, wherein the first items are grouped together in a plurality of categories.

22. (Original) A system as claimed in claim 1, wherein the second items are grouped together in a plurality of categories.

23. (Original) A system as claimed in claim 1, wherein the third items are grouped together in a plurality of categories.

24. (Original) A system as claimed in claim 21, wherein adjustment is according to one or more of the plurality of categories.

25. (Original) A system as claimed in claim 1, wherein an inventory total is the sum of the first items and the second items, less the third items.

26. (Original) A consignment inventory management and reconciliation system wherein there is tracking and reconciliation of:

(a) first items shipped to a buyer from a seller and that are located at the buyer's consignment inventory location; and

(b) second items shipped to the buyer by the seller that have not been billed by the seller and cannot be found at the buyer's consignment inventory location.

27. (Original) A system as claimed in claim 26, wherein there is also tracking and reconciliation of third items not shipped to the buyer by the seller, that can be found at the buyer's consignment inventory location, and are of the same identity as items provided on consignment by the seller to the buyer.

28. (Currently amended) A consignment inventory management and reconciliation system wherein there is tracking and reconciliation of:

(a) first items shipped to a buyer from a seller and that are located at the ~~buyers~~ buyer's consignment inventory location; and

(b) third items not shipped to the buyer by parties other than the seller, the third items can be found at the buyer's consignment inventory location, and are of the same identity as items provided on consignment by the seller to the buyer[.].

wherein second items can also be found at the buyer's consignment inventory location.

29. (Original) A system as claimed in claim 28, wherein there is also tracking and reconciliation of second items shipped to the buyer by the seller, that have not been billed by the seller and cannot be found at the buyer's consignment inventory location.

30. (Currently amended) A consignment inventory management and reconciliation system wherein there is tracking and reconciliation of:

(a) second items shipped to the buyer by the seller, that have not been billed by the seller and cannot be found at the buyer's consignment inventory location; and

(b) third items shipped to the buyer by parties other than the seller, the third items can be found at the buyer's consignment inventory location, and are of the same identity as items provided on consignment by the seller to the buyer[.].

wherein first items can also be found at the buyer's consignment inventory location.

31. (Original) A computer useable medium having a computer program code that is configured to cause a processor to execute one or more functions to perform the process steps as defined in claim 1.